

55. On August 8, 2013, the Company filed its quarterly report on Form 10-Q with the SEC (“Q2 2013 10-Q”), announcing the Company’s financial and operating results for the second quarter of 2013. The Company reported net income of \$10.12 million, or \$3.20 per diluted share, on revenue of \$138.84 million, compared to net income of \$1.44 million, or \$0.60 per diluted share, on revenue of \$91.41 million for the same period the prior year. The Q2 2013 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

56. The Q2 2013 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q2 2013 10-Q was accurate and disclosed any material changes to the Company’s internal control over financial reporting.

57. On November 12, 2013, the Company filed its quarterly report on Form 10-Q with the SEC (“Q3 2013 10-Q”), announcing the Company’s financial and operating results for the third quarter of 2013. The Company reported net income of \$5.12 million, or \$1.50 per diluted share, on revenue of \$113.25 million, compared to net income of \$4.51 million, or \$1.70 per diluted share, on revenue of \$113.79 million for the same period the prior year. The Q3 2013 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

58. The Q3 2013 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q3 2013 10-Q was accurate and disclosed any material changes to

the Company's internal control over financial reporting.

59. On March 17, 2014, the Company filed its annual report on Form 10-K with the SEC ("2013 10-K"), announcing the Company's financial and operating results for the quarter and fiscal year ended December 31, 2013. The 2013 10-K stated, in pertinent part:

*We primarily offer our customers what is referred to as an agency model to execute their trades. Our agency model is fundamental to our core business philosophy because we believe that it aligns our interests with those of our customers and reduces our risks.* In the agency model, when our customer executes a trade on the best price quotation offered by our FX market makers, we act as a credit intermediary, or riskless principal, simultaneously entering into offsetting trades with both the customer and the FX market maker. We earn trading fees and commissions by adding a markup to the price provided by the FX market makers.

60. The 2013 10-K was signed by the Director Defendants and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the 2013 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting.

61. On May 12, 2014, the Company filed its quarterly report on Form 10-Q with the SEC ("Q1 2014 10-Q"), announcing the Company's financial and operating results for the first quarter of 2014. The Company reported net income of \$2.08 million, or \$0.53 per diluted share, on revenue of \$82.83 million, compared to net income of \$6.86 million, or \$2.30 per diluted share, on revenue of \$122.05 million for the same period the prior year. The Q1 2014 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

62. The Q1 2014 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial

information contained in the Q1 2014 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

63. On August 8, 2014, the Company filed its quarterly report on Form 10-Q with the SEC ("Q2 2014 10-Q"), announcing the Company's financial and operating results for the second quarter of 2014. The Company reported a net loss of \$3.08 million, or \$0.80 per diluted share, on revenue of \$79.99 million, compared to net income of \$10.12 million, or \$3.20 per diluted share, on revenue of \$138.84 million for the same period the prior year. The Q2 2014 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

64. The Q2 2014 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q2 2014 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

65. On November 7, 2014, the Company filed its quarterly report on Form 10-Q with the SEC ("Q3 2014 10-Q"), announcing the Company's financial and operating results for the third quarter of 2014. The Company reported net income of \$2.39 million, or \$0.55 per diluted share, on revenue of \$88.36 million, compared to net income of \$5.12 million, or \$1.50 per diluted share, on revenue of \$113.25 million for the same period the prior year. The Q3 2014 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

66. The Q3 2014 10-Q was signed by defendants Niv and Lande and contained



certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q3 2014 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

67. On March 16, 2015, the Company filed its annual report on Form 10-K with the SEC ("2014 10-K"), announcing the Company's financial and operating results for the quarter and fiscal year ended December 31, 2014. The 2014 10-K stated, in pertinent part:

*We primarily offer our customers what is referred to as an agency model to execute their trades. Our agency model is fundamental to our core business philosophy because we believe that it aligns our interests with those of our customers and reduces our risks.* In the agency model, when our customer executes a trade on the best price quotation offered by our FX market makers, we act as a credit intermediary, or riskless principal, simultaneously entering into offsetting trades with both the customer and the FX market maker. This agency model has the effect of automatically hedging our positions and eliminating market risk exposure. Generally, we earn trading fees through commissions or by adding a markup to the price provided by the FX market makers. In certain geographic locations, we provide our customers with the price provided by the FX market makers and display trading fees and commissions separately.

68. The 2014 10-K was signed by the Director Defendants and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the 2014 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting.

69. On May 11, 2015, the Company filed its quarterly report on Form 10-Q with the SEC ("Q1 2015 10-Q"), announcing the Company's financial and operating results for the first quarter of 2015. The Company reported net income of \$426.82 million, or \$90.56 per diluted share, on revenue of \$215.19 million, compared to net income of \$2.08 million, or \$0.53 per diluted share, on revenue of \$82.83 million for the same period the prior year. The Q1 2015 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

70. The Q1 2015 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q1 2015 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

71. On August 7, 2015, the Company filed its quarterly report on Form 10-Q with the SEC ("Q2 2015 10-Q"), announcing the Company's financial and operating results for the second quarter of 2015. The Company reported net income of \$95.81 million, or \$19.70 per diluted share, on revenue of \$16.22 million, compared to net loss of \$3.08 million, or \$0.80 per diluted share, on revenue of \$71.99 million for the same period the prior year. The Q2 2015 10-Q stated, in pertinent part:

We currently have limited exposure to currency risk from customer open positions as *we utilize an agency model*, simultaneously entering offsetting trades with both our customers and FX market makers.

72. The Q2 2015 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q2 2015 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

73. On November 6, 2015, the Company filed its quarterly report on Form 10-Q with the SEC ("Q3 2015 10-Q"), announcing the Company's financial and operating results for the third quarter of 2015. The Company reported net income of \$73.65 million, or \$13.86 per diluted share, on revenue of \$30.61 million, compared to net income of \$2.39 million, or \$0.55 per diluted share, on revenue of \$88.36 million for the same period the prior year. The Q3 2015 10-Q stated, in



pertinent part:

We currently have limited exposure to currency risk from customer open positions as ***we utilize an agency model***, simultaneously entering offsetting trades with both our customers and FX market makers.

74. The Q3 2015 10-Q was signed by defendants Niv and Lande and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the Q3 2015 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

75. On March 11, 2016, the Company filed its annual report on Form 10-K with the SEC ("2015 10-K"), announcing the Company's financial and operating results for the quarter and year ended December 31, 2015. The 2015 10-K stated, in pertinent part:

***We primarily offer our customers what is referred to as an agency model to execute their trades. Our agency model is fundamental to our core business philosophy because we believe that it aligns our interests with those of our customers and reduces our risks.*** In the agency model, when our customer executes a trade on the best price quotation offered by our FX market makers, we act as a credit intermediary, or riskless principal, simultaneously entering into offsetting trades with both the customer and the FX market maker. This agency model has the effect of automatically hedging our positions and eliminating market risk exposure. Beginning in 2015, we began to offer a dealing desk, or principal, execution model to smaller retail clients. Under the dealing desk model, we maintain our trading position and do not offset the trade with another party on a one for one basis. CFDs are primarily a dealing desk offering. By combining smaller positions and trading them out on an aggregate basis, we are able to optimize revenues from accounts that are less actively traded. Generally, under both models, we earn trading fees through commissions or by adding a markup to the price provided by the FX market makers. In certain geographic locations, we provide our customers with the price provided by the FX market makers and display trading fees and commissions separately. Revenues earned under the dealing desk model also include our realized and unrealized foreign currency trading gains or losses on our positions with customers.

76. The 2015 10-K was signed by the Director Defendants and contained certifications pursuant to SOX by defendants Niv and Lande, which stated that the financial information contained in the 2015 10-K was accurate and disclosed any material changes to the Company's